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TALKING POINTS

2 2 MAY 1978

SPRING BUDGET REVIEW

1. Not as confident as OMB in present satisfaction

OMB looking too much from broad national decision level

Must satisfy many other customers

Especially military commanders

OMB underestimates need to improve just to remain as

capable as today

New techniques, frequences, and countermeasures

2. OMB program is unacceptably risky

Programs back up capability for use to fill stretch out

Makes farce of program before Congress

Leaves vulnerable: 1) loss of system; 2) new requirements

3. OMB program could impact adversely on SALT

Congress already wary on verification

This stretches our credibility as to being sincere in

seeking verifiable agreements

4. OMB program risks loss of advantage where we are ahead

25X1C

Not ahead [ ]

Not ahead most [ ]

25X1D

5. Agreement non-NRO barely adequate

Issue is NRP

Must decide to cut some major program

Not because of - [ ]

25X1A

Because problem will get worse

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6. OMB program not viable

25X1A
      Underpricing [     ]

      Expending backup

25X1A
      Delaying [                    ] indefinitely

7. OMB program adds to total cost

      Postpones day of new systems that replace others

25X1A

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Pleased -- Bureaucratic delay

25X1A

Lynch pin being able carry out new responsibilities Pres given

Pres feels that way

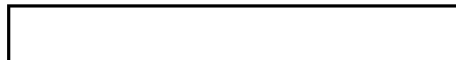3 Points

1. Bifurcation--

25X1A

Chart 1

Chart 2 -- copies

25X1A    2.

Budget

Reprogramming

Disbursement

ADP

Better job analyzing tradeoffs

25X1    3.

3 Committees--left same

Smooth transition

2 new functions

A.  Integrate collection -- make community

Chart 3

Not replace                    Chart 4

Gaps

B.  Evaluation--

Chart 5

New in NFAC

Have asked ?'s in mark-up

Total #s-

**25X1A**

|  |
|--|

Chart 6

Evolutionary--

Assist vice layer

Neater diagrams

Can't prove #'s-

Minor compared resources I'm to manage

Urge look broader aspects

Chance try bring order